



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

January 26, 1996

Clifford O. Doner
Chief Financial Officer
American Gilsonite Company
136 East South Temple, Suite 1460
Salt Lake City, Utah 84111

Re: Formal Approval of Form and Amount of Replacement Reclamation Surety, American Gilsonite Company, Bonanza Operations, M/047/010, Uintah County, Utah

Dear Mr. Doner:

On January 24, 1996, the Board of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety for American Gilsonite Company's Bonanza Operations. The reclamation surety is in the form of a surety bond _____) by United Pacific Insurance Company for the sum of \$324,900.

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files. The old reclamation surety (surety bond # _____) with United Pacific Insurance Company for \$500,000) has been sent via certified mail to Robert A. James at Pillsbury, Madison & Sutro LLP in San Francisco, California. There was no Reclamation Contract associated with the old surety bond.

Thank you for your cooperation and assistance in finalizing this permitting action. Please call me if you have any questions in this regard.

Sincerely,

Anthony A. Gallegos
Senior Reclamation Specialist

jb

Enclosures: copies of signed Reclamation Contract & Surety Bond forms

cc: Robert A. James, Pillsbury, Madison & Sutro LLP w/o enclosures

Neldon Kunz, American Gilsonite, Bonanza Operations w/enclosures

M047010.APV



STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

JAN 8 1996

DEPT. OF OIL, GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/0047/010

Gilsonite

"MINE LOCATION":

(Name of Mine)

Bonanza Mine Site

(Description)

33 Miles South of Vernal

Uinta County

Utah

"DISTURBED AREA":

(Disturbed Acres)

107.2

(Legal Description)

(refer to Attachment "A")

"OPERATOR":

(Company or Name)

American Gilsonite Company

(Address)

136 East South Temple, Suite 1460

Salt Lake City, UT 84111

(Phone)

801-524-7900

"OPERATOR'S REGISTERED AGENT":

(Name)

Clifford O. Doner

(Address)

136 East South Temple, Suite 1460
Salt Lake City, UT 84111

(Phone)

801-524-7900

"OPERATOR'S OFFICER(S)":

Roy E. Nelson, CEO

K. Clark Christensen, COO

Clifford O. Doner, CFO

"SURETY":


(Form of Surety - Attachment B)

Surety Bond

United Pacific Insurance Company

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Bond No. 

"SURETY AMOUNT":

(Escalated Dollars)

\$324,900

"ESCALATION YEAR":

1999

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between American Gilsonite Co. the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/0047/010 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated 12/5/83, and the original Reclamation Plan dated 12/5/83. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as

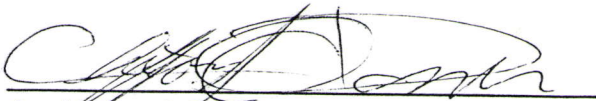
amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.

14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

Clifford O. Doner


Authorized Officer (Typed or Printed)


Authorized Officer's Signature

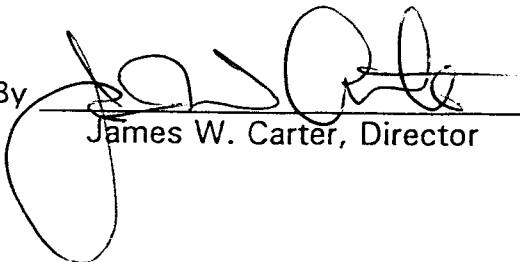
12-27-95
Date

SO AGREED this 24th day of January, 1996.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 
Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

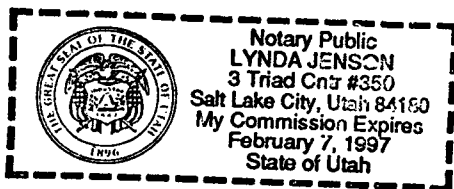
DIVISION OF OIL, GAS AND MINING:

By 
James W. Carter, Director

Date January 24, 1996

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 24th day of January, 19 96, personally appeared before me, who being duly sworn did say that he/she, the said James W. Carter is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly acknowledged to me that he/she executed the foregoing document by authority of law on behalf of the State of Utah.



Lynda Jenson
Notary Public
Residing at: Salt Lake City

February 7, 1997
My Commission Expires:

OPERATOR:

American Gilsonite Company

Operator Name

By Chief Financial Officer

Corporate Officer - Position

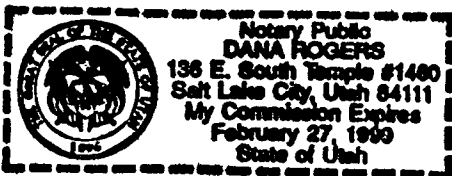
12-27-95
Date

[Signature]
Signature

STATE OF UTAH

COUNTY OF Salt Lake ss:

On the 27th day of December, 19 95, personally
appeared before me Clifford O. Doner who
being by me duly sworn did say that he/she, the said Clifford O. Doner
is the Chief Financial Officer of American Gilsonite Company
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Clifford O. Doner duly acknowledged to me that said
company executed the same.



Dana Rogers
Notary Public
Residing at: 579 NE Capital Street
Salt Lake City, Utah 84103

February 27, 1999
My Commission Expires:

ATTACHMENT "A"

American Gilsonite Company
Operator

Bonanza Gilsonite Operation
Mine Name

M/047/010
Permit Number

Uintah County, Utah

The legal description of lands to be disturbed is:

Approximately 107.2 acres within the areas described by
attached pages 4B and 4C, both revised 3/29/89.

Page 4B
Revised (3/29/89)

DISTURBED ACREAGE - MINE SITES

MINE OR PROPERTY DESIGNATION	TYPE OF PROPERTY	NAME OF CLAIM	LOCATION	ACREAGE DISTURBED
E-15	Pat. Claim	White River 20	NW¼ Sec. 12 T9S R24E	1 acre
E-14	Pat. Claim	White River 21	NW¼ Sec. 12 T9S R24E	1 acre
E-29	Pat. Claim	White River 23	SE¼ Sec. 2 T9S R24E	1 acre
E-30	Pat. Claim	White River 24	SW¼ Sec. 2 T9S R24E	1 acre
E-31	Pat. Claim	White River 25	SW¼ Sec. 2 T9S R24E	1 acre
I-9	Pat. Claim	Rangely Bell	SE¼ Sec. 23 T9S R24E	1 acre
I-10	Pat. Claim	Rangely Bell	SE¼ Sec. 23 T9S R24E	1 acre
I-24	Pat. Claim	Big Chief	NW¼ Sec. 23 T9S R24E	1 acre
I-18	Pat. Claim	Break of Day	NE¼ Sec. 22 T9S R24E	1 acre
I-16	Pat. Claim	Triumph	SE¼ Sec. 15 T9S R24E	1 acre
I-15	Pat. Claim	Cumberland	SW¼ Sec. 15 T9S R24E	1 acre
B-38	Fee		SW¼ Sec. 16 T9S R24E	1 acre
B-40	Fee		SW¼ Sec. 16 T9S R24E	1 acre
B-42	Fee		SW¼ Sec. 16 T9S R24E	1 acre
B-44	Fed. Lease		NE¼ Sec. 17 T9S R24E	1 acre
VH-12	Fed. Lease	U-0126940	SW¼ Sec. 27 T9S R24E	1 acre
LE-3	Fee	U-073071	SW¼ Sec. 30 T9S R24E	(1 acre) Released 6/15/88
LE-4	Fee		SW¼ Sec. 30 T9S R24E	1 acre
LE-5	Fed. Lease	U-0126938	SW¼ Sec. 30 T9S R24E	1 acre
LE-6	Fed. Lease	U-0126938	SW¼ Sec. 30 T9S R24E	1 acre
PW-3	Pat. Claim	Puck	SW¼ Sec. 9 T11S R24E	1 acre
PW-4	Pat. Claim	Bald Eagle	SE¼ Sec. 8 T11S R24E	1 acre
H-1	Fee		NW¼ Sec. 22 T11S R24E	1 acre
H-2	Fee		NW¼ Sec. 22 T11S R24E	1 acre
H-10	Pat. Claim	Merrimac	SW¼ Sec. 1 T11S R24E	1 acre
R-2	Pat. Claim	Turtle	NE¼ Sec. 25 T11S R24E	1 acre
R-3	Pat. Claim	Tennessee	SW¼ Sec. 24 T11S R24E	1 acre
R-4	Pat. Claim	Tennessee	SW¼ Sec. 24 T11S R24E	1 acre
B-16	Pat. Claim	Hilltop	NW¼ Sec. 23 T9S R24E	1 acre
LE-19	Pat. Claim	Alexandria		2 acres
B-12	Pat. Claim	Foothill		1 acre

Total Disturbed Acreage 31.0 acres

Post-It™ brand fax transmittal memo 7671 # of pages 2

To: <i>Cliff Warner</i>	From: <i>Tony Gallegos</i>
Co: <i>American Petroleum</i>	Co: <i>DOG M</i>
Dept:	Phone # <i>801 538-5340</i>
Fax # <i>801-328-9116</i>	Fax # <i>801 359-3940</i>

<u>GENERAL DESCRIPTION</u>	<u>LOCATION</u>	<u>DISTURBED ACREAGE</u>
TOWNSITE (Bonanza)		
Residential Area (houses & roads)	SE $\frac{1}{4}$ Sec. 23 T9S R24E	2.3 acres
Operating Area (buildings, plants, ponds, scales, & boneyard)	SE $\frac{1}{4}$ Sec. 23 T9S R24E	5.7 acres
ROADS		
County Road to Pump Station	SW $\frac{1}{4}$ Sec. 16 T9S R25E	1.4 acres
County Road to Crush Plant	SW $\frac{1}{4}$ Sec. 15 T9S R25E	0.6 acres
County Road to Bins at Crush Plant	NW $\frac{1}{4}$ Sec. 16 T9S R25E	0.8 acres
Pump Station to Highway 45 along Eureka Vein	NE $\frac{1}{4}$ Sec. 17 T9S R25E	11.2 acres
Highway 45 to Eureka Vein near E-21	NE $\frac{1}{4}$ Sec. 23 T9S R24E	5.8 acres
County Road to I-15 along Independent Vein	SE $\frac{1}{4}$ Sec. 23 T9S R24E	3.1 acres
County Road to B-37 Site	NE $\frac{1}{4}$ Sec. 20 T9S R24E	2.5 acres
County Road to B-42	SW $\frac{1}{4}$ Sec. 16 T9S R24E	1.4 acres
B-42 to B-50	Sec. 17 T9S R24E	2.0 acres
County Road to LE-5	SE $\frac{1}{4}$ Sec. 30 T9S R24E	1.1 acres
County Road to WH-12	NE $\frac{1}{4}$ Sec. 27 T9S R24E	2.3 acres
County Road to Harrison Camp	SE $\frac{1}{4}$ Sec. 15 T11S R24E	3.7 acres
County Road to H-10	SW $\frac{1}{4}$ Sec. 6 T11S R24E	2.8 acres
Harrison Camp to H-2 along Harrison Vein	NE $\frac{1}{4}$ Sec. 22 T11S R24E	2.1 acres
County Road to PW-4	NW $\frac{1}{4}$ Sec. 16 T11S R24E	1.5 acres
County Road to R-1	SW $\frac{1}{4}$ Sec. 24 T11S R24E	0.7 acres
Road to PW-5 and PW-6		7.7 acres
PLANT AND OTHER AREAS		
Pump Station and Ponds	NE $\frac{1}{4}$ Sec. 17 T9S R25E	3.8 acres
Crush Plant Area	NW $\frac{1}{4}$ Sec. 16 T9S R25E	0.8 acres
Solar Pad Area	SW $\frac{1}{4}$ Sec. 16 T9S R25E	0.5 acres
Reservoir	SW $\frac{1}{4}$ Sec. 16 T9S R25E	2.3 acres
Explosives Magazine and Access	SW $\frac{1}{4}$ Sec. 24 T9S R24E	1.1 acres
River Pump Station and Wells	SE $\frac{1}{4}$ Sec. 2 T9S R24E	7.0 acres
Harrison Camp	NE $\frac{1}{4}$ Sec. 22 T11S R24E	5.6 acres
E-21 Landfill	NW $\frac{1}{4}$ Sec. 7 T9S R24E	2.1 acres
Total		81.9
Grand Total Disturbed Acreage		112.9 acres

ATTACHMENT B

MR FORM 5

June 7, 1995

Bond Number _____

Permit Number M/047/010

Mine Name Bonanza

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

JAN 8 1996

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned American Gilsonite Company, as
Principal, and United Pacific Insurance Company, as
Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors,
successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas
and Mining (Division) in the penal sum of three hundred twenty four thousand
dollars (\$324,900.00 ~~nine hundred and no/100~~).

Principal has estimated in the Mining and Reclamation Plan approved by the
Division on the 7th day of March, 19 85, that 107.2
acres of land will be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and
effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase
in the area disturbed or the extent of disturbance, then, the Division may require that the
amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

American Gilsonite Company
Principal (Permittee)

12-27-95
Date

Clifford O. Doner
By (Name typed):

Chief Financial Officer
Title

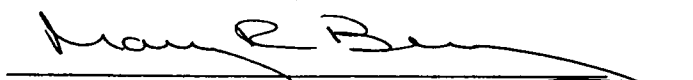

Signature

Surety Company

United Pacific Insurance Company
Company Officer

January 2, 1996
Date

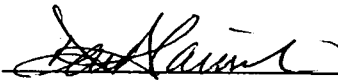
Attorney-in-Fact
Title/Position


Signature Mary R. Berry

Bond Number
Permit Number M/047/010
Mine Name Bonanza

SO AGREED this 24th day of January, 1996.

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:



Dave D. Lauriski, Chairman
Utah State Board of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 2nd day of January, 1996, personally appeared before me Mary R. Berry, Attorney-in-Fact who being by me duly sworn did say that ~~he~~/she, the said Mary R. Berry is the Attorney-in-Fact of United Pacific Insurance Company and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Mary R. Berry duly acknowledged to me that said company executed the same, and that ~~he~~/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Mary R. Berry
Surety Officer

Title: Attorney-in-Fact

STATE OF California)
COUNTY OF San Francisco) ss:

Subscribed and sworn to before me this 2nd day of January, 1996.

Helen A. Weires
Notary Public Helen A. Weires
Residing at: Three Embarcadero Center
San Francisco, CA 94111

My Commission Expires:

August 11, 19 97



RELiance SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY

RELiance INSURANCE COMPANY
RELiance NATIONAL INDEMNITY COMPANY

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint **Mary R. Berry, of San Francisco, California** their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed **any and all bonds and undertakings of suretyship** and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

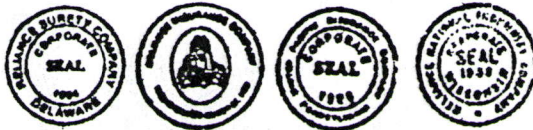
2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this **November 14, 1995**.



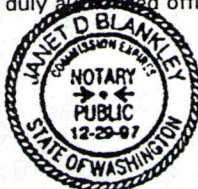
RELiance SURETY COMPANY
RELiance INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELiance NATIONAL INDEMNITY COMPANY

Lawrence W. Carlstrom

STATE OF Washington }
COUNTY OF King } ss.

On this, **November 14, 1995**, before me, Janet Blankley, personally appeared **Lawrence W. Carlstrom**, who acknowledged himself to be the Senior Vice President of the Reliance Surety Company, and the Vice President of Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.



Janet D. Blankley
Notary Public in and for the State of Washington
Residing at Puyallup

I, **Robyn Layng**, Assistant Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 1st day of January 19 96.



Robyn Layng
Assistant Secretary